

M/049/001

From: Patrick O'Hara
To: Mary Ann Wright
Date: Thu, Sep 9, 1999 2:57 PM
Subject: Geneva Steel Bankruptcy--Kiegley Quarry

FYI: Geneva Steel Co. bankruptcy counsel Steve McCardell (with the SLC law firm of LeBoeuf, Lamb et al.) called Thurs. 9/9/99 to give us a "heads-up" to the effect that the Geneva Steel Co. bankruptcy estate plans in due course to file a motion to seek U.S. Bankruptcy Court approval to sell the Kiegley Quarry (approx. 400 acres in Utah County; limestone, dolomite and quartzite). As you know, DOGM holds a reclamation bond on the Quarry in the sum of \$615,500 and has filed a bankruptcy proof of claim based on that bond. Mr. McCardell did not specify the identity of the third party purchaser. I gather Geneva is just now planning to market the Quarry. To avoid delays and problems with the expected sale, Mr. McCardell wants to make sure Geneva's ultimate buyer knows up-front all about the requirements of DOGM's Mineral Program re bonding, reclamation, etc., and that DOGM is not objecting to the sale of the Quarry free and clear of liens. I told him that DOGM appreciated the advance notice and would be happy to meet with the prospective buyer(s) to explain the procedures and requirements for permit transfer, bonding, etc.

CC: Lowell Braxton, Tom Mitchell, Wayne Hedberg

John Walcott (Grand Junction, Colo.) was in the public room making copies of the Kiegley Quarry Mine files on Sept 9, 1999. Wayne Hedberg spoke with him about questions he had regarding permit transfer process and any public notice requirements.